



Juan Morado, Jr.
333 West Wacker Drive, Suite 1900
Chicago, IL 60606
Direct Dial: 312.212.4967
Fax: 312.757.9192
jmorado@beneschlaw.com

December 10, 2018

VIA FEDEX

Courtney Avery
Board Administrator
Health Facilities and Services Review Board
Illinois Department of Public Health
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: Certificate of Exemption Application - Peoria Ambulatory Surgery Center

Dear Ms. Avery:

Enclosed you will find a Certificate of Exemption Application for a Change of Ownership of the Peoria Ambulatory Surgery Center. Should you have any questions I can be reached at 312-212-4967 and my colleague Mark J. Silberman can be reached at 312-212-4952. Thank you very much for your attention to our application.

Very truly yours,

BENESCH, FRIEDLANDER,
COPLAN & ARONOFF LLP

A handwritten signature in black ink, appearing to read 'Juan Morado, Jr.', written over the printed name.

Juan Morado, Jr.

JM:
Enclosures

E-062-18

RECEIVED

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 10/2013 Edition

DEC 11 2018

ORIGINAL

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTIONHEALTH FACILITIES &
SERVICES REVIEW BOARD**SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**
This Section must be completed for all projects.**Facility/Project Identification**

Facility Name: Peoria Ambulatory Surgery Center (a division of Soderstrom Dermatology Center, S.C.)		
Street Address: 4909 N. Glen Park		
City and Zip Code: Peoria, IL 61614		
County: Peoria	Health Service Area: 002	Health Planning Area: 143

Legislators

State Senator Name: David Koehler
State Representative Name: Jehan A. Gordon

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Soderstrom Dermatology Center, S.C.
Street Address: 4909 N. Glen Park Place
City and Zip Code: Peoria 61614
Name of Registered Agent: Carl W. Soderstrom, M.D.
Registered Agent Street Address: 4909 N. Glen Park Place
Registered Agent City and Zip Code: Peoria 61614
Name of President: Carl W. Soderstrom, M.D.
President Street Address: 1 South Stream
President City and Zip Code: Morton 61550
President Telephone Number: 309-674-7546

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input checked="" type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/>
Other	
<ul style="list-style-type: none"> Corporations and limited liability companies must provide an Illinois certificate of good standing. Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner. 	
APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Carl W. Soderstrom, M.D.
Title: President
Company Name: Soderstrom Dermatology Center, S.C.
Address: 4909 N. Glen Park Place Peoria, Illinois 61613
Telephone Number: 309-674-7546
E-mail Address: dermdoc@skinnews.com
Fax Number: N/A

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTION**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

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Facility/Project Identification

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County: Peoria	Health Service Area: 002	Health Planning Area: 143

Legislators

State Senator Name: David Koehler
State Representative Name: Jehan A. Gordon

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Dermatologists of Central States, LLC
Street Address: 9349 WaterStone Blvd.
City and Zip Code: Cincinnati, OH 45249
Name of Registered Agent: The Corporation Trust Company
Registered Agent Street Address: Corporation Trust Center, 1209 Orange St.
Registered Agent City and Zip Code: Wilmington, DE 19801
Name of Chief Executive Officer: John Macke
CEO Street Address: 9349 WaterStone Blvd.
CEO City and Zip Code: Cincinnati, OH 45249
CEO Telephone Number: 937-433-7536

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
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<ul style="list-style-type: none">Corporations and limited liability companies must provide an Illinois certificate of good standing.Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.	

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: John Macke
Title: Chief Executive Officer
Company Name: Dermatologists of Central States, LLC
Address: 9349 WaterStone Blvd Cincinnati, OH 45249
Telephone Number: 309-674-7546
E-mail Address: jmacke@docsdermgroupp.com
Fax Number: 937-436-4157

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTION**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

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Legislators

State Senator Name: David Koehler
State Representative Name: Jehan A. Gordon

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: MedPro Advantage, LLC
Street Address: 4909 N. Glen Park Place
City and Zip Code: Peoria 61614
Name of Registered Agent: Michael Altman
Registered Agent Street Address: 180 N. Stetson Avenue, Suite 2000
Registered Agent City and Zip Code: Chicago 60601
Name of Manager: Carl W. Soderstrom, M.D.
Manager Street Address: 4909 N. Glen Park Place
Manager City and Zip Code: Peoria, IL 61614
Manager Telephone Number: 309-674-7546

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
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- Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
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APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Carl W. Soderstrom, M.D.
Title: Manager
Company Name: MedPro Advantage, LLC
Address: 4909 N. Glen Park Place Peoria, Illinois 61614
Telephone Number: 309-674-7546
E-mail Address: dermdoc@skinnews.com
Fax Number: N/A

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTION**

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Legislators

State Senator Name: David Koehler
State Representative Name: Jehan A. Gordon

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Michael P. Conroy, M.D.
Street Address: 9349 WaterStone Blvd.
City and Zip Code: Cincinnati, OH 45249
Name of Registered Agent: Not Applicable
Registered Agent Street Address: Not Applicable
Registered Agent City and Zip Code: Not Applicable
Name of Chief Executive Officer: N/A.
CEO Street Address: N/A
CEO City and Zip Code: N/A
CEO Telephone Number: N/A

Type of Ownership of Applicants

- | | |
|--|---|
| <input type="checkbox"/> Non-profit Corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Governmental |
| <input type="checkbox"/> Limited Liability Company | <input checked="" type="checkbox"/> Sole Proprietorship |
| <input type="checkbox"/> Other | |
- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
 - o Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Michael P. Conroy, M.D.
Title: Individual
Company Name: N/A
Address: 9349 WaterStone Blvd. Cincinnati, Ohio 45249
Telephone Number: 937-433-7536
E-mail Address: N/A
Fax Number: N/A

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTION**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

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Legislators

State Senator Name: David Koehler
State Representative Name: Jehan A. Gordon

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: John C. Moad, M.D.
Street Address: 9349 WaterStone Blvd.
City and Zip Code: Cincinnati, OH 45249
Name of Registered Agent: Not Applicable
Registered Agent Street Address: Not Applicable
Registered Agent City and Zip Code: Not Applicable
Name of Chief Executive Officer: N/A.
CEO Street Address: N/A
CEO City and Zip Code: N/A
CEO Telephone Number: N/A

Type of Ownership of Applicants

- | | |
|--|---|
| <input type="checkbox"/> Non-profit Corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Governmental |
| <input type="checkbox"/> Limited Liability Company | <input checked="" type="checkbox"/> Sole Proprietorship |
| <input type="checkbox"/> Other | <input type="checkbox"/> |
- Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
 - Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: John C. Moad, M.D.
Title: Individual
Company Name: N/A
Address: 9349 WaterStone Blvd, Cincinnati, Ohio 45249
Telephone Number: 937-433-7536
E-mail Address: N/A
Fax Number: N/A

Additional Contact [Person who is also authorized to discuss the Application]

Name: Mark J. Silberman
Title: CON Counsel
Company Name: Benesch Friedlander Coplan & Aronoff
Address: 333 West Wacker Drive Suite 1900
Telephone Number: 312-212-4952
E-mail Address: MSilberman@Beneschlaw.com
Fax Number: 312.767.9192

Post Exemption Contact

[Person to receive all correspondence subsequent to exemption issuance-**THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960**]

Name: John Macke
Title: Chief Executive Officer
Company Name: Dermatologist of Central States, LLC
Address: 9349 WaterStone Blvd Cincinnati, OH 45249
Telephone Number: 309-674-7546
E-mail Address: jmacke@docsdermgrou.com
Fax Number: 937-436-4157

Site Ownership after the Project is Complete

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Store Master Funding XII, LLC
Address of Site Owner: 8377 E. Hartford Drive, Suite 100 Scottsdale, Arizona
Street Address or Legal Description of the Site: Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Current Operating Identity/Licensee

[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name: Peoria Ambulatory Surgery Center (a division of Soderstrom Dermatology Center, S.C.)	
Address: 4909 N. Glen Park Place, Peoria, Illinois 61614	
<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input checked="" type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/>
<input type="checkbox"/> Other	

Operating Identity/Licensee after the Project is Complete

[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name: Peoria Ambulatory Surgery Center (a division of Soderstrom Dermatology Center, S.C.)

Address: 4909 N. Glen Park Place, Peoria, Illinois 61614

- ☐ Non-profit Corporation
☒ For-profit Corporation
☐ Limited Liability Company
Other

- ☐ Partnership
☐ Governmental
☐ Sole Proprietorship

☐

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Narrative Description

In the space below, provide a brief narrative description of the change of ownership. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does **NOT** have a street address, include a legal description of the site.

This Certificate of Exemption ("COE") application addresses the change of ownership and change in control of the Peoria Ambulatory Surgery Center (operated as a division of Soderstrom Dermatology Center, S.C.) ("ASTC") located at 4909 N. Glen Park Place, Peoria, Illinois 61614. The ASTC is currently owned by Soderstrom Dermatology Center, S.C., ("SDC") which is wholly owned by Carl W. Soderstrom, M.D.

As part of this transaction, two individual physicians, John C. Moad, M.D. and Michael P. Conroy, M.D., will obtain a controlling ownership interest in SDC, and, thereby, a controlling interest in the ASTC. Drs. Moad and Conroy will hold a majority interest in SDC and Dr. Soderstrom will retain a minority interest. This results in Drs. Moad and Conroy being co-applicants to this COE application. The ASTC will continue to operate without any change in its license.

MedPro Advantage, LLC ("MedPro") is currently majority owned by Carl W. Soderstrom, M.D. and provides administrative services to the ASTC. Dermatologists of Central States, LLC ("DOCS") will be acquiring 100% of MedPro, and through this transaction, various assets (consisting of equipment, intellectual property, and staff) of the ASTC will be transferred to MedPro. This transaction, traditionally, would not have any CON implications.

However, following the change of ownership, DOCS will obtain a degree of operational control over the ASTC that could implicate the HFSRB definition of control, as defined at 77 Ill. Admin. Code 1130.140. As a result, DOCS and MedPro are also co-applicants to this COE.

The facility will not be changing what categories of service it provides, and will continue to offer the following categories of service: Plastics, Dermatology, and Ophthalmology.

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project ☐ Yes ☒ No
Purchase Price: \$ N/A
Fair Market Value: \$ N/A

Project Status and Completion Schedules

Outstanding Permits: Does the facility have any projects for which the State Board issued a permit that is not complete? Yes ☐ No ☒ If yes, indicate the projects by project number and whether the project will be complete when the exemption that is the subject of this application is complete.

N/A

Anticipated exemption completion date (refer to Part 1130.570): May 31, 2019

State Agency Submittals

Are the following submittals up to date as applicable:

- ☒ Cancer Registry
 - ☐ APORS **NOT APPLICABLE**
 - ☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
 - ☐ All reports regarding outstanding permits **NOT APPLICABLE**
- Failure to be up to date with these requirements will result in the Application being deemed incomplete.

This Application is filed on the behalf of Soderstrom Dermatology Center, S.C.

~~SIGNATURE~~

SIGNATURE

Seal

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of MedPro Advantage, LLC

in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

Carl W. Soderstrom, M.D.
PRINTED NAME

Manager
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 10th day of December, 2018

Signature of Notary

Seal



SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this ____ day of ____

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

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- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Dermatologists of Central States, LLC

in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

John Macke
PRINTED NAME

Chief Executive Officer
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this _____ day of _____

Signature of Notary

Seal

SIGNATURE

Jonathon B. Lewis
PRINTED NAME

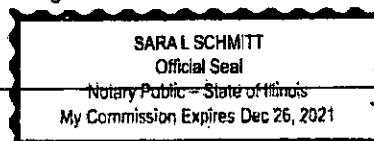
Vice-President
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 7th day of December

Signature of Notary

Seal



CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Dermatologists of Central States, LLC

in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

John Macke
SIGNATURE

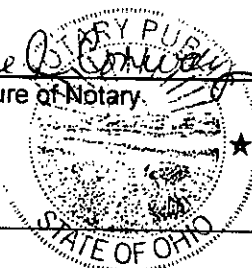
John Macke
PRINTED NAME

Chief Executive Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 7th day of December, 2018

Rose Ann Conway
Signature of Notary

Seal



ROSE ANN CONWAY, Notary Public
In and for the State of Ohio
My Commission Expires Nov. 29, 2020

SIGNATURE

Jonathon B. Lewis
PRINTED NAME

Vice-President
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this _____ day of _____

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Michael Conroy, M.D.

in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

MPC.
SIGNATURE

Michael Conroy, M.D.
PRINTED NAME

Owner
PRINTED TITLE

SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 7th day of December, 2018

Notarization:
Subscribed and sworn to before me
this _____ day of _____

Rose Ann Conway
Signature of Notary

Signature of Notary

Seal



ROSE ANN CONWAY, Notary Public
In and for the State of Ohio
My Commission Expires Nov. 29, 2020

Seal

*Insert the EXACT legal name of the applicant

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

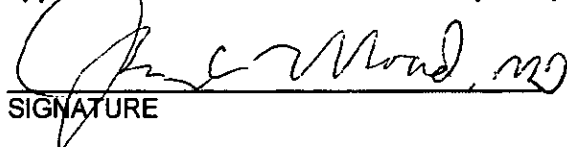
- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 10/2018 Edition

- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of John C. Moad, M.D.

in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.


SIGNATURE

John C. Moad, M.D.
PRINTED NAME

Owner
PRINTED TITLE

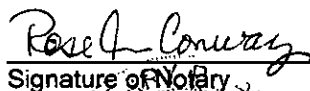
SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 7th day of December, 2018

Notarization:
Subscribed and sworn to before me
this _____ day of _____


Signature of Notary

Signature of Notary

Seal



ROSE ANN CONWAY, Notary Public
In and for the State of Ohio
My Commission Expires Nov. 29, 2020

Seal

*Insert the EXACT legal name of the applicant

SECTION II. BACKGROUND.

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application. Please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.
4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
5. If, during a given calendar year, an applicant submits more than one Application, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT 5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 5.

SECTION III. CHANGE OF OWNERSHIP (CHOW)

Transaction Type. Check the Following that Applies to the Transaction:

- ☐ Purchase resulting in the issuance of a license to an entity different from current licensee.
- ☐ Lease resulting in the issuance of a license to an entity different from current licensee.
- ☐ Stock transfer resulting in the issuance of a license to a different entity from current licensee.
- ☒ Stock transfer resulting in no change from current licensee.
- ☐ Assignment or transfer of assets resulting in the issuance of a license to an entity different from the current licensee.
- ☒ Assignment or transfer of assets not resulting in the issuance of a license to an entity different from the current licensee.
- ☐ Change in membership or sponsorship of a not-for-profit corporation that is the licensed entity.
- ☐ Change of 50% or more of the voting members of a not-for-profit corporation's board of directors that controls a health care facility's operations, license, certification or physical plant and assets.
- ☐ Change in the sponsorship or control of the person who is licensed, certified or owns the physical plant and assets of a governmental health care facility.
- ☐ Sale or transfer of the physical plant and related assets of a health care facility not resulting in a change of current licensee.
- ☐ Change of ownership among related persons resulting in a license being issued to an entity different from the current licensee
- ☐ Change of ownership among related persons that does not result in a license being issued to an entity different from the current licensee.
- ☒ Any other transaction that results in a person obtaining control of a health care facility's operation or physical plant and assets and explain in "Narrative Description."

1130.520 Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility

1. Prior to acquiring or entering into a contract to acquire an existing health care facility, a person shall submit an application for exemption to HFSRB, submit the required application-processing fee (see Section 1130.230) and receive approval from HFSRB.
2. If the transaction is not completed according to the key terms submitted in the exemption application, a new application is required.
3. READ the applicable review criteria outlined below and **submit the required documentation (key terms) for the criteria:**

APPLICABLE REVIEW CRITERIA	CHOW
1130.520(b)(1)(A) - Names of the parties	X
1130.520(b)(1)(B) - Background of the parties, which shall include proof that the applicant is fit, willing, able, and has the qualifications, background and character to adequately provide a proper standard of health service for the community by certifying that no adverse action has been taken against the applicant by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.	X
1130.520(b)(1)(C) - Structure of the transaction	X
1130.520(b)(1)(D) - Name of the person who will be licensed or certified entity after the transaction	
1130.520(b)(1)(E) - List of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons.	X
1130.520(b)(1)(F) - Fair market value of assets to be transferred.	X
1130.520(b)(1)(G) - The purchase price or other forms of consideration to be provided for those assets. [20 ILCS 3960/8.5(a)]	X
1130.520(b)(2) - Affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section	X
1130.520(b)(3) - If the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction	X

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 10/2018 Edition**

1130.520(b)(4) - A statement as to the anticipated benefits of the proposed changes in ownership to the community	X
1130.520(b)(5) - The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership;	X
1130.520(b)(6) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control;	X
1130.520(b)(7) - A description of the selection process that the acquiring entity will use to select the facility's governing body;	X
1130.520(b)(8) - A statement that the applicant has prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility	X
1130.520(b)(9)- A description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition.	X
APPEND DOCUMENTATION AS <u>ATTACHMENT 6</u>, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

SECTION IV.CHARITY CARE INFORMATION

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three audited fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer (20 ILCS 3960/3). Charity Care must be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 7.

CHARITY CARE			
	2015	2016	2017
Net Patient Revenue	\$3,493,638	\$4,353,434	\$4,423,996
Amount of Charity Care (charges)	0 ¹	0	0
Cost of Charity Care	0	0	0

APPEND DOCUMENTATION AS ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

¹ NOTE: Charitable care has been routinely provided as part of the physician practice but, as such charitable care does not meet the Board's definition of Charity Care for the purposes of the COE application, it is not reflected herein as charity care.

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

INDEX OF ATTACHMENTS			
ATTACHMENT NO.			PAGES
1	Applicant Identification including Certificate of Good Standing		23-27
2	Site Ownership		28-32
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.		33-34
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.		35-36
5	Background of the Applicant		37-41
6	Change of Ownership		42-56
7	Charity Care Information		57



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

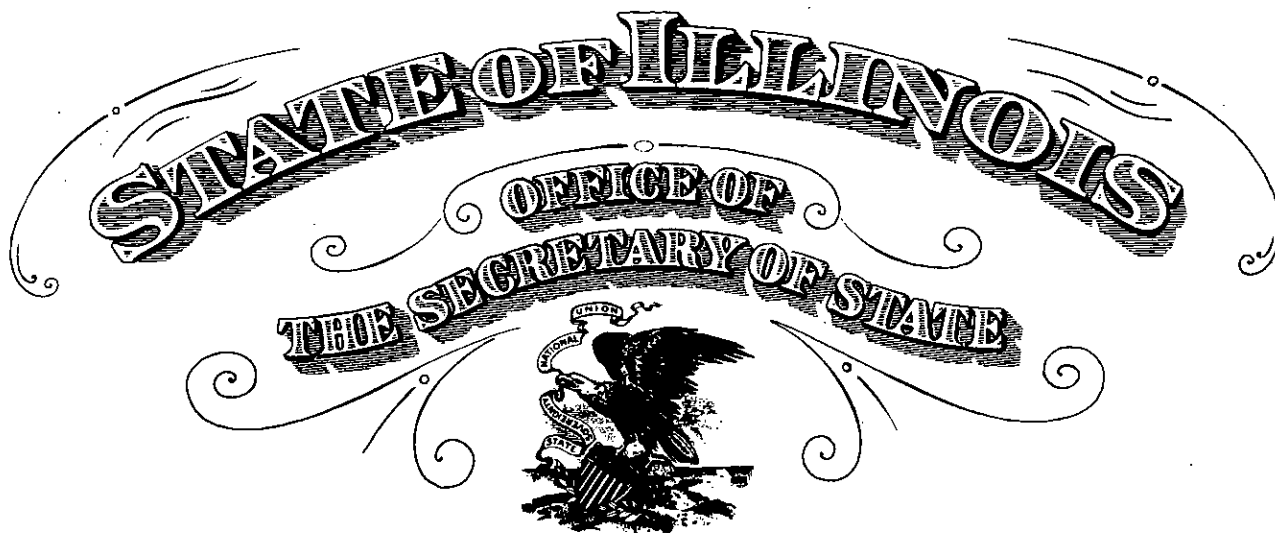
SODERSTROM DERMATOLOGY CENTER, S.C., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON DECEMBER 29, 1975, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 9TH day of DECEMBER A.D. 2018 .

Jesse White

SECRETARY OF STATE



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

MEDPRO ADVANTAGE, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON DECEMBER 08, 2004, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 7TH
day of DECEMBER A.D. 2018 .***

Jesse White

SECRETARY OF STATE

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF
DELAWARE, DO HEREBY CERTIFY "DERMATOLOGISTS OF CENTRAL STATES, LLC"
IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN
GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF
THIS OFFICE SHOW, AS OF THE FOURTH DAY OF DECEMBER, A.D. 2018.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN
PAID TO DATE.



6326530 8300

SR# 20187945861

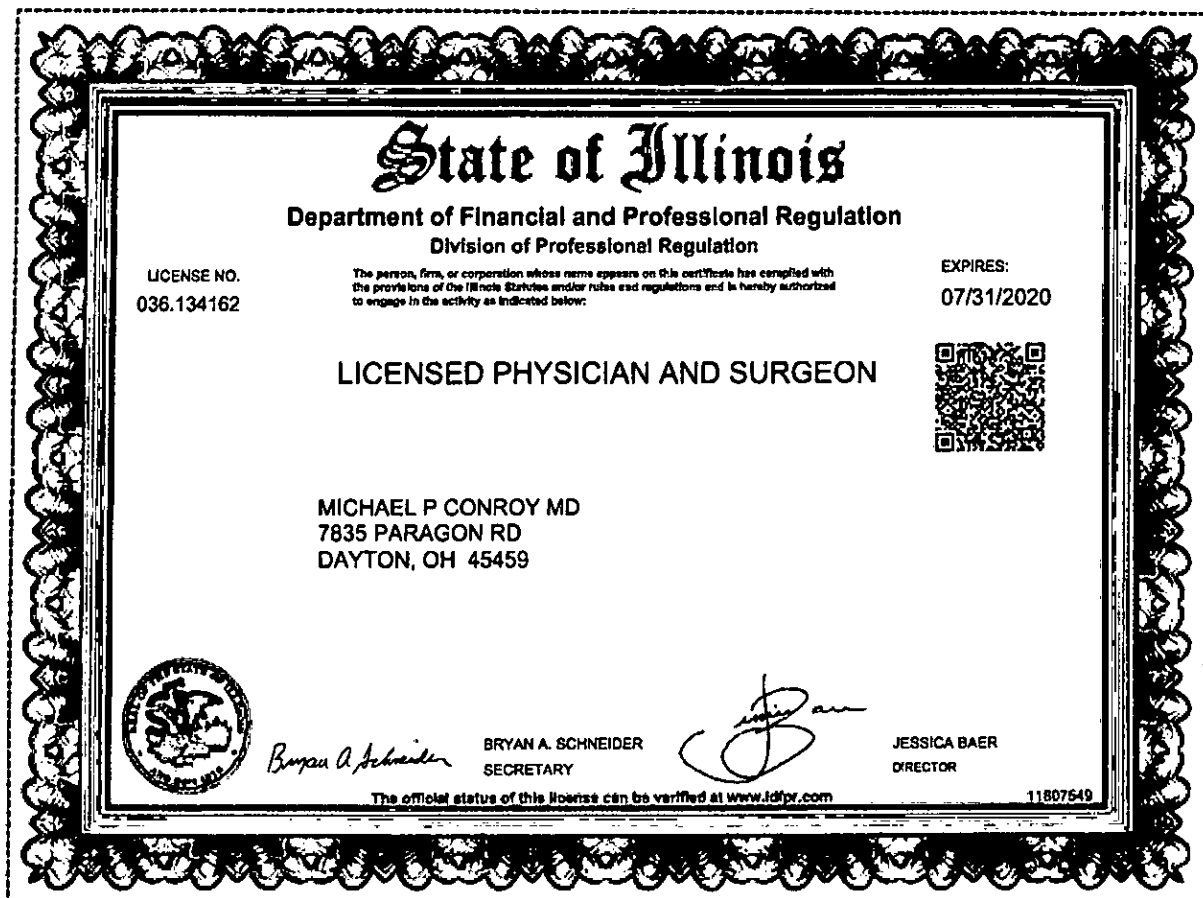
You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature in black ink, appearing to read "JB", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Jeffrey W. Bullock, Secretary of State

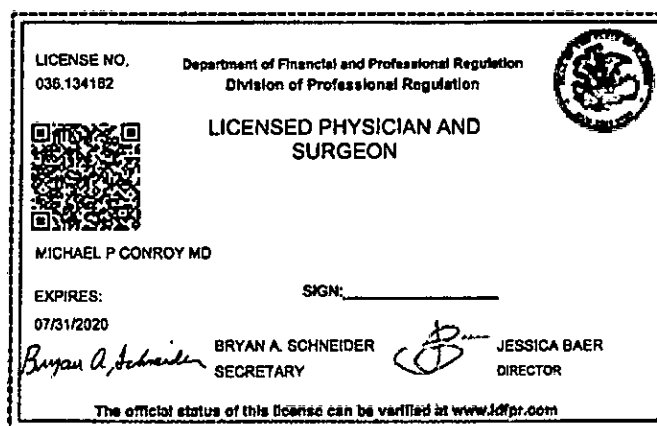
Authentication: 204017630

Date: 12-04-18



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For future reference, IDFPR is now providing each person/business a unique identification number, 'Access ID', which may be used in lieu of a social security number, date of birth or FEIN number when contacting the IDFPR. Your Access ID is: 3798415



Cut on Dotted Line ✂



Illinois Department of Financial and Professional Regulation

Division of Professional Regulation

Bruce Rauner
Governor

Bryan A. Schneider
Secretary

Jessica Baer
Director
Division of
Professional
Regulation

CERTIFICATION OF LICENSURE

2534 MILLVILLE SHANDON RD
HAMILTON, OH 45013

Licensee: License JOHN CARROLL MOAD MD
Number: 036.110721
Profession: LICENSED PHYSICIAN AND SURGEON
Date of Issuance: 01/22/2004
Expiration Date: 07/31/2020
License Status: ACTIVE
License Method: ENDORSEMENT
Disciplinary History: Has not been disciplined

This document is a certified copy of the records maintained and kept by this department in the regular course of business as of 12/06/2018



Jessica Baer
Director

Division of Professional Regulation

12/06/2018

Date

Refer to the Department's Web Site at www.idfpr.com to verify professional licenses via License Look-Up.

PREPARED BY:
Kutak Rock LLP
1801 California Street, Suite 3000
Denver, CO 80202
Attention: Kristine L. Poston, Esq.

TO BE RETURNED TO:
First American Title Insurance Company
2425 E. Camelback Road, Ste 300
Phoenix, AZ 85016
Attention: Kristin Brown

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (this "Memorandum") is executed effective as of April ___, 2017, by and between **STORE MASTER FUNDING XII, LLC**, a Delaware limited liability company ("Lessor"), whose address is 8377 E. Hartford Drive, Suite 100, Scottsdale, Arizona 85255, and **SODERSTROM DERMATOLOGY CENTER, S.C.**, an Illinois corporation ("Lessee"), whose address is 4909 North Glen Park Place, Peoria, Illinois 61616.

Recitals

Lessor and Lessee entered into that certain Master Lease Agreement (the "Lease") of even date herewith (the "Effective Date"), the terms, provisions and conditions of which are incorporated herein by this reference to the same extent as if recited in their entirety herein, whereby Lessor has leased to Lessee, and Lessee has rented and leased from Lessor, on and subject to the terms, provisions and conditions of the Lease, certain parcels of real property, including, without limitation, that certain real property, together with all buildings, structures, fixtures and improvements now or hereafter located thereon, more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Property"). Unless otherwise expressly provided herein, all defined terms used in this Memorandum shall have the same meanings as are ascribed to such terms in the Lease.

NOW, THEREFORE, Lessor and Lessee hereby make specific reference to the following terms, provisions and conditions of the Lease:

1. The term of the Lease commences as of the Effective Date and expires on April 30, 2032, unless extended as provided below or terminated sooner as provided in the Lease.
2. Provided Lessee is not in default under the terms of the Lease, Lessee has a right to extend the term of the Lease for up to four (4) additional successive periods of five (5) years each, by written notice to Lessor as provided in the Lease.
3. NOTICE IS HEREBY GIVEN THAT LESSEE IS NOT AUTHORIZED TO PLACE OR ALLOW TO BE PLACED ANY LIEN, MORTGAGE, DEED OF TRUST OR ENCUMBRANCE OF ANY KIND UPON ALL OR ANY PART OF THE PROPERTY OR

LESSEE'S LEASEHOLD INTEREST THEREIN AND ANY SUCH PURPORTED TRANSACTION WHICH IS NOT APPROVED BY LESSOR SHALL BE VOID. FURTHERMORE, ANY SUCH PURPORTED TRANSACTION SHALL BE DEEMED A TORTIOUS INTERFERENCE WITH LESSOR'S RELATIONSHIP WITH LESSEE AND LESSOR'S OWNERSHIP OF THE PROPERTY.

4. Lessee may not assign its interest in the Lease in any manner whatsoever without the prior written consent of Lessor. ANY SUCH PURPORTED TRANSACTION WHICH IS NOT APPROVED BY LESSOR SHALL BE VOIDABLE AT THE SOLE OPTION OF LESSOR.

5. Any addition to or alteration of the Property shall automatically be deemed part of the Property and belong to Lessor.

6. Unless the landlord, mortgagee or trustee under any ground lease, mortgage or trust deed, as applicable, now or hereafter placed on the Property by Lessor elects otherwise by notice given to Lessee, the Lease at all times shall automatically be subordinate to any and all ground leases and the liens of any and all mortgages and trust deeds now or hereafter placed on the Property by Lessor, subject, however, to Lessee's rights regarding non-disturbance as set out in the Lease.

7. The Lease is a "true lease"; the only relationship created thereby is that of landlord and tenant. Lessee is not an agent, legal representative, partner, subsidiary, or employee of Lessor. Lessor is not responsible for any of the debts, obligations or losses of Lessee.

8. Original copies of the Lease are in the possession of Lessor and Lessee. The Lease contains other terms not herein set forth but which are incorporated by reference herein for all purposes, and this Memorandum is executed for the purpose of placing parties dealing with the Property on notice of the existence of the Lease and, where appropriate, its contents, and shall ratify and confirm all other terms of the Lease as fully as if the same had been set forth herein. Additional information concerning the terms of the Lease can be obtained by persons with a legitimate interest therein from Lessor or Lessee at the addresses set forth above.

9. This Memorandum is intended for recording purposes only, and does not modify, supersede, diminish, add to or change all or any of the terms of the Lease in any respect. To the extent that the terms hereof are inconsistent with the terms of the Lease, the terms of the Lease shall control.

10. Lessee agrees that Lessor shall have a landlord's lien, and additionally hereby separately grants to Lessor a first and prior security interest in, on and against all personal property, appliances, furniture and equipment of Lessee from time to time situated on the Property, which lien and security interest shall secure the payment of all rental and other charges payable by Lessee to Lessor under the terms of the Lease and all other obligations of Lessee to Lessor under the Lease.

11. This Memorandum may be executed in one or more counterparts, each of which shall be deemed an original.

[Remainder of page intentionally left blank; signature page(s) to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be duly executed as of the Effective Date.

LESSOR:

STORE MASTER FUNDING XII, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me on April ____, 2017 by _____, as _____ of **STORE MASTER FUNDING XII, LLC**, a Delaware limited liability company, on behalf of the company.

Notary Public

My Commission Expires:

LESSEE:

**SODERSTROM DERMATOLOGY CENTER,
S.C., an Illinois corporation**

By: [Signature]

Name: _____

Title: _____

STATE OF Illinois)
COUNTY OF Peoria) ss.

The foregoing instrument was acknowledged before me on April 26, 2017 by _____, as _____ of **SODERSTROM DERMATOLOGY CENTER, S.C., an Illinois corporation**, on behalf of the corporation.

[Signature]
Notary Public

My Commission Expires:
8/11/2020





**Illinois Department of
PUBLIC HEALTH**

HF115965

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Nirav D. Shah, M.D., J.D.
Director

Issued under the authority of
the Illinois Department of
Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
7/5/2019		7001530
Ambulatory Surgery Treatment Center		
Effective: 07/06/2018		

**Peoria Ambulatory Surgery Center
dba Soderstrom Dermatology Center, S.C.
4909 N. Glen Park Place**

Peoria, IL 61614

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #48240 6M 5/18

← **DISPLAY THIS PART IN A
CONSPICUOUS PLACE**

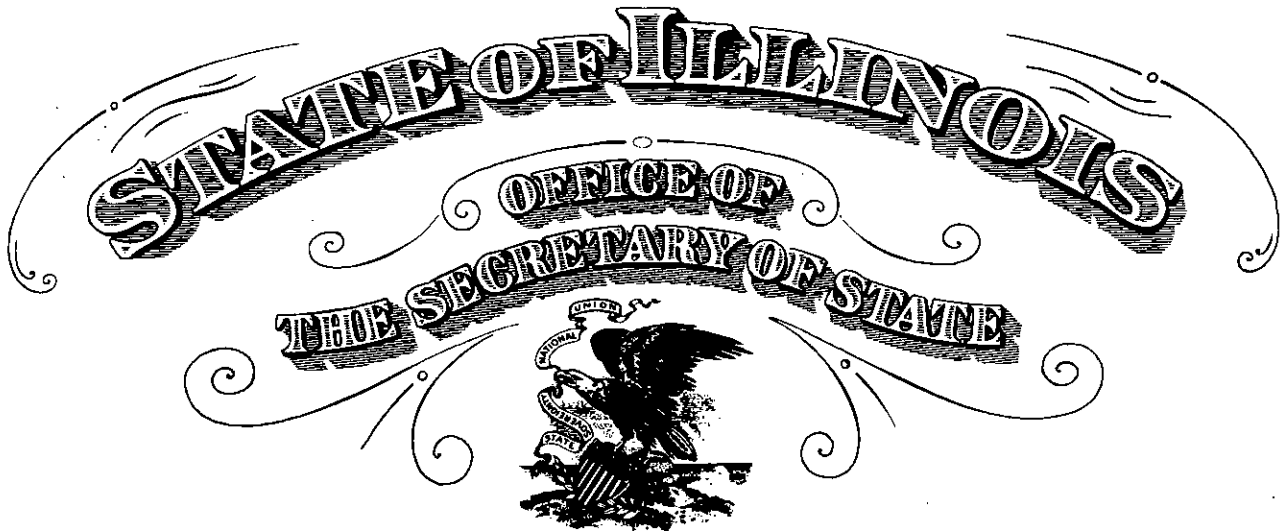
Exp. Date 7/5/2019

Lic Number 7001530

Date Printed 5/24/2018

**Peoria Ambulatory Surgery Center
dba Soderstrom Dermatology Center,
4909 N. Glen Park Place
Peoria, IL 61614**

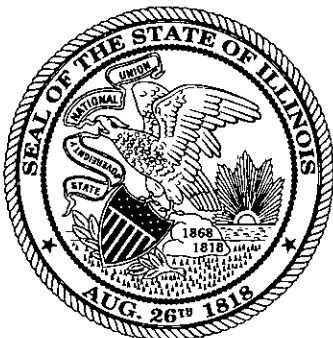
FEE RECEIPT NO.



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

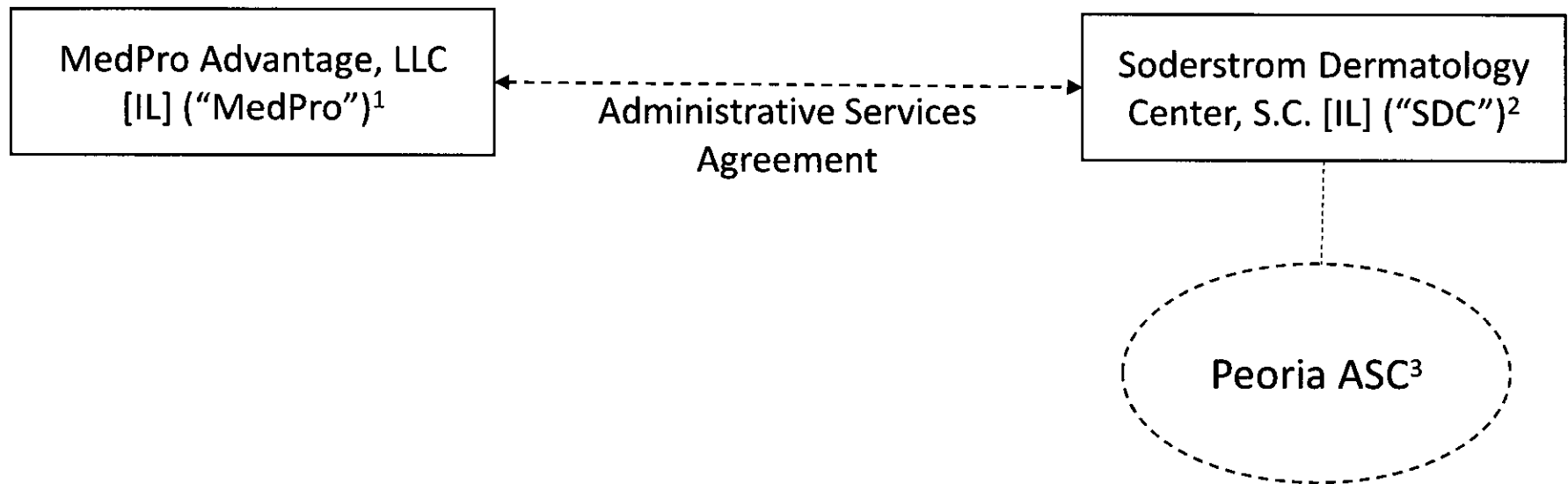
SODERSTROM DERMATOLOGY CENTER, S.C., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON DECEMBER 29, 1975, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 9TH
day of DECEMBER A.D. 2018 .***

Jesse White

SECRETARY OF STATE

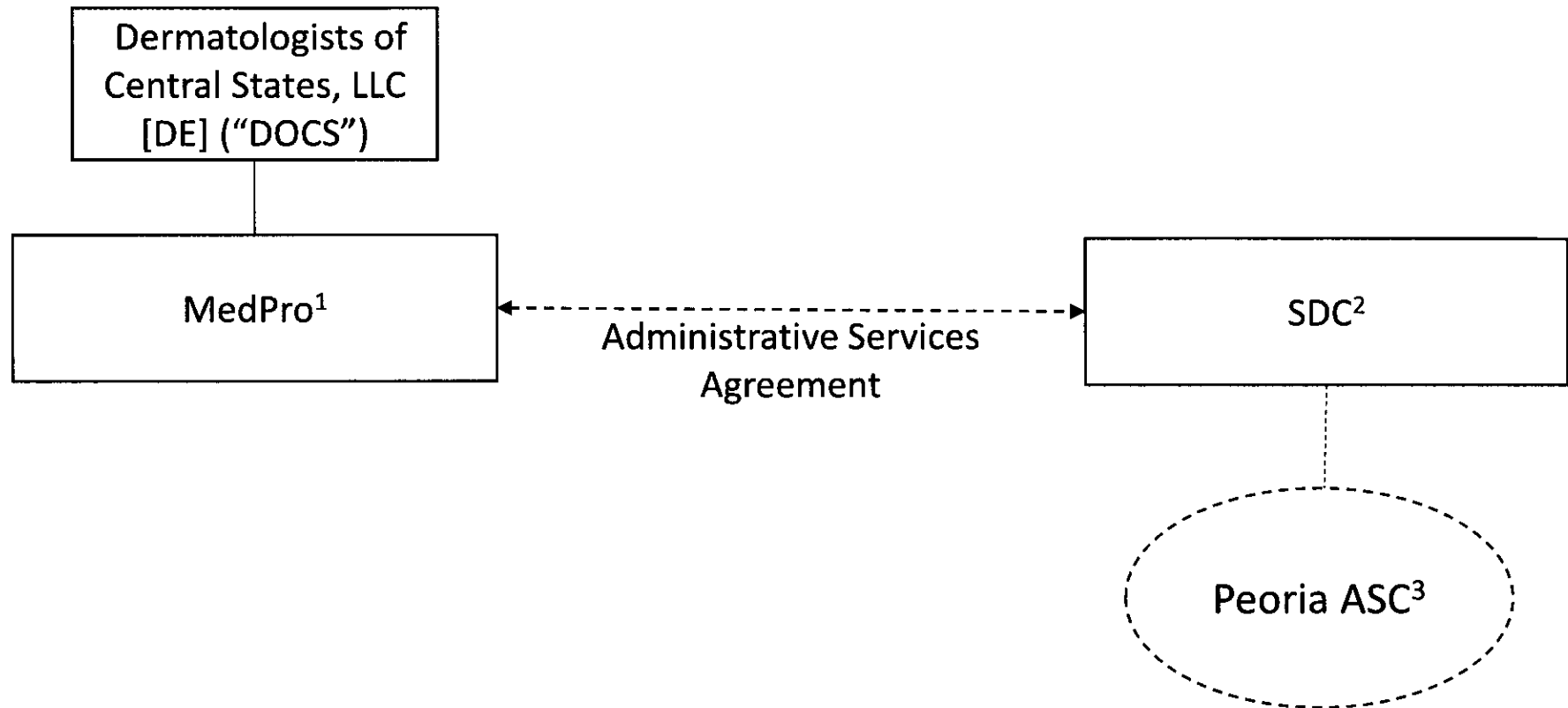


¹ MedPro is owned 62% by Dr. Carl W. Soderstrom and 38% by other investors.

² SDC is owned 100% by Dr. Carl W. Soderstrom.

³ Peoria Ambulatory Surgery Center ("Peoria ASC"), is an Illinois licensed ambulatory surgical treatment center ("ASTC") and is operated as a division of SDC (not a separate entity).

After the Proposed Transaction
(Subject to HFSRB Approval)



Page 36

¹ MedPro will be owned 100% by DOCS.

² SDC will be owned by Dr. Soderstrom, Dr. Conroy, and Dr. Moad.

³ Peoria Ambulatory Surgery Center ("Peoria ASC"), will remain an Illinois licensed ambulatory surgical treatment center ("ASTC") and will continue to be operated as a division of SDC (not a separate entity) without change in licensee.

NOTE: Various ASTC assets will be transferred from the Peoria ASC to MedPro.

Attachment 4

December 7, 2018

Courtney Avery
Board Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Board Administrator Avery,

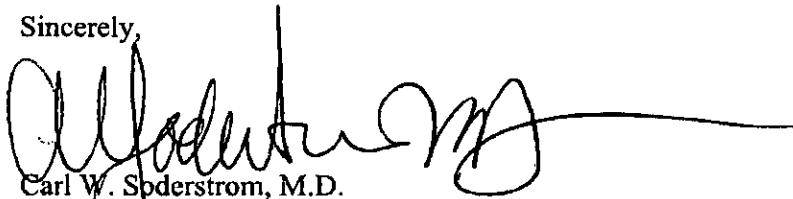
On behalf of Soderstrom Dermatology Center, S.C., this letter is intended to act as both the requisite certification and authorization to the Illinois Health Facilities and Services Review Board and the Illinois Department of Public Health (IDPH) to access documents necessary to verify the information submitted including, but not limited to:

- Official records of IDPH or other state agencies;
- The licensing or certification records of other states; and
- The records of nationally recognized accreditation organizations.

I further verify that, Soderstrom Dermatology Center, S.C., does not own any other healthcare facilities (other than the ASTC at issue in this application) and has had no adverse action in the past three years prior to the filing of this application.

I hereby certify this is true and based upon my personal knowledge and under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,



Carl W. Soderstrom, M.D.
Soderstrom Dermatology Center, S.C.
President

December 7, 2018

Courtney Avery
Board Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Board Administrator Avery,

My name is Michael, Conroy, M.D. and this letter is intended to act as both the requisite certification and authorization to the Illinois Health Facilities and Services Review Board and the Illinois Department of Public Health (IDPH) to access documents necessary to verify the information submitted including, but not limited to:

- Official records of IDPH or other state agencies;
- The licensing or certification records of other states; and
- The records of nationally recognized accreditation organizations.

I further verify that I, Michael Conroy, M.D., do not own any other healthcare facilities and have had no adverse action in the past three years prior to the filing of this application.

I hereby certify this is true and based upon my personal knowledge and under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,

A handwritten signature in black ink, appearing to read 'MPC.', is positioned above the printed name.

Michael Conroy, M.D.

December 7, 2018

Courtney Avery
Board Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Board Administrator Avery,

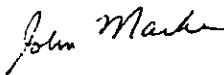
On behalf of Dermatologists of Central States, LLC, this letter is intended to act as both the requisite certification and authorization to the Illinois Health Facilities and Services Review Board and the Illinois Department of Public Health (IDPH) to access documents necessary to verify the information submitted including, but not limited to:

- Official records of IDPH or other state agencies;
- The licensing or certification records of other states; and
- The records of nationally recognized accreditation organizations.

I further verify that, Dermatologists of Central States, LLC, does not own any other healthcare facilities and has had no adverse action in the past three years prior to the filing of this application.

I hereby certify this is true and based upon my personal knowledge and under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,



John Macke
Dermatologists of Central States, LLC
Chief Executive Officer

December 7, 2018

Courtney Avery
Board Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Board Administrator Avery,

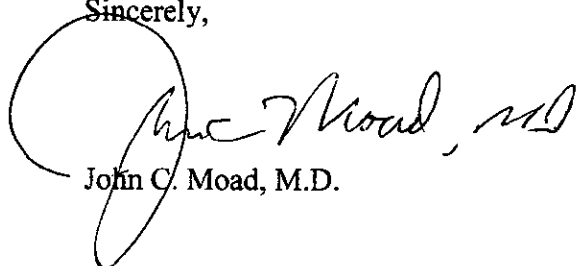
My name is John C. Moad, M.D. and this letter is intended to act as both the requisite certification and authorization to the Illinois Health Facilities and Services Review Board and the Illinois Department of Public Health (IDPH) to access documents necessary to verify the information submitted including, but not limited to:

- Official records of IDPH or other state agencies;
- The licensing or certification records of other states; and
- The records of nationally recognized accreditation organizations.

I further verify that I, John C. Moad, M.D., do not own any other healthcare facilities and have had no adverse action in the past three years prior to the filing of this application.

I hereby certify this is true and based upon my personal knowledge and under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,

A handwritten signature in black ink, appearing to read "John C. Moad, MD". The signature is written in a cursive, flowing style. Below the signature, the name "John C. Moad, M.D." is printed in a standard black font.

John C. Moad, M.D.

December 7, 2018

Courtney Avery
Board Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Board Administrator Avery,

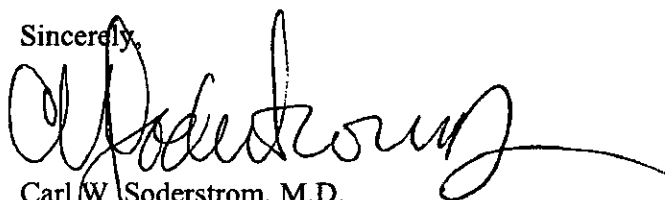
On behalf of MedPro Advantage, LLC., this letter is intended to act as both the requisite certification and authorization to the Illinois Health Facilities and Services Review Board and the Illinois Department of Public Health (IDPH) to access documents necessary to verify the information submitted including, but not limited to:

- Official records of IDPH or other state agencies;
- The licensing or certification records of other states; and
- The records of nationally recognized accreditation organizations.

I further verify that, MedPro Advantage, LLC, does not own any other healthcare facilities and has had no adverse action in the past three years prior to the filing of this application.

I hereby certify this is true and based upon my personal knowledge and under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,

A handwritten signature in black ink, appearing to read 'Carl W. Soderstrom', with a long horizontal flourish extending to the right.

Carl W. Soderstrom, M.D.
MedPro Advantage, LLC
Manager

Section 1130.520(b)(1)(A)- Names of Parties

The application for exemption is subject to approval under Section 1130.560 and shall include the information required by Section 1130.500 and the ... Name of the Parties.

The parties involved in this project are:

- Peoria Ambulatory Surgery Center (“ASTC”), located at 4909 N. Glen Park Place, Peoria, Illinois 61614, is an unincorporated division of Soderstrom Dermatology Center, S.C., which is wholly owned by Carl W. Soderstrom, M.D.
- John C. Moad, M.D. is a physician who will be purchasing an interest in Soderstrom Dermatology Center, S.C. and, thereby, obtain an interest in the ASTC.
- Michael P. Conroy, M.D. is a physician who will be purchasing an interest in Soderstrom Dermatology Center, S.C. and, thereby, obtain an interest in the ASTC.

NOTE: John C. Moad, M.D. and Michael P. Conroy will obtain a majority (controlling) interest in the ASTC, with Carl W. Soderstrom, M.D. retaining a minority interest.

The ASTC will continue do business as Peoria Ambulatory Surgery Center (a division of Soderstrom Dermatology Center, S.C.) and the licensee will not change.

- MedPro Advantage, LLC (“MedPro”) is limited liability company, majority owned by Carl W. Soderstrom, M.D. and ownership of various assets of the ASTC (consisting of equipment, intellectual property, and staff) will be transferred from the ASTC to MedPro.
- Dermatologists of Central States, LLC (“DOCS”) is a limited liability company and will be acquiring 100% of MedPro.

All of these entities are parties to this transaction and are, accordingly, co-applicants to this Certificate of Exemption (“COE”).

Attachment 6

Section 1130.520(b)(1)(B)- Background of the parties

“Background of the parties, which shall include proof that the applicant is fit, willing, able, and has the qualifications, background and character to adequately provide a proper standard of health service for the community by certifying that no adverse action has been taken against the applicant by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.”

John C. Moad, M.D., Michael P. Conroy, M.D., and Soderstrom Dermatology Center, S.C. all possess the qualifications, background, and character necessary, as well as possess the financial resources to adequately provide services for the community. Dermatologists of Central States, LLC and MedPro Advantage, LLC possess the qualifications, background and character necessary to adequately manage the operations of the facility.

John C. Moad, M.D., Michael P. Conroy, M.D., Soderstrom Dermatology Center, S.C., MedPro Advantage, LLC and Dermatologists of Central States, LLC each certify herein that no adverse actions have been taken against any facility owned and/or operated by the applicant in the three years prior to this application, as evidenced by the certifications accompanying this application. It is worth noting, herein, that neither MedPro Advantage, LLC, nor Dermatologists of Central States, LLC will have an ownership interest in the ASTC.

Collectively, the physicians of Soderstrom Dermatology Center, S.C. have more than 125 years of combined experience. Soderstrom Dermatology Center, S.C. has board certified dermatologists, plastic surgeons, and certified physician assistants who are qualified to diagnose and treat all skin conditions.

Soderstrom Dermatology Center, S.C. began as one small office in Morton, Illinois. Since opening in 1973, Soderstrom Dermatology Center, S.C. has grown into one of the most highly regarded skin care facilities in the United States. Soderstrom Dermatology Center, S.C. has always made an effort to provide care for patients within their community, including those served by Medicare and the Illinois Medicaid program. They have and will continue to provide services to these patients populations.

Section 1130.520(b) (1)(C)- Structure of the transaction

The application for exemption is subject to approval under Section 1130.560 and shall include the information required by Section 1130.500 and the ... Structure of the Transaction.

John C. Moad, M.D. and Michael P. Conroy, M.D. will, collectively, purchase a majority ownership interest of Soderstrom Dermatology Center, S.C. and thereby an interest in the ownership of Peoria Ambulatory Surgery Center (a division of Soderstrom Dermatology Center, S.C.) ("ASTC").

Dermatologists of Central States, LLC ("DOCS") will be acquiring 100% of MedPro Advantage, LLC, and through this transaction various assets (consisting of equipment, intellectual property, and staff) of the ASTC will be transferred to MedPro Advantage, LLC. The ASTC will continue to do business, moving forward, as Peoria Ambulatory Surgery Center (a division of Soderstrom Dermatology Center, S.C.).

Section 1130.520(b) (1)(D)- Entity to be Licensed after transaction

“Name of the person who will be the licensed or certified entity after the transaction”

The entity to be licensed after the change of ownership will remain Peoria Ambulatory Surgery Center (a division of Soderstrom Dermatology Center, S.C.). There will be no change in the entity currently licensed by the Illinois Department of Public Health to operate the ambulatory surgical treatment center.

Section 1130.520(b) (1)(E)- List of Ownership

“List of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons.”

John C. Moad, M.D. and Michael P. Conroy, M.D. will collectively purchase a majority ownership interest of Soderstrom Dermatology Center, S.C. and thereby an interest in the ownership of Peoria Ambulatory Surgery Center (a division of Soderstrom Dermatology Center, S.C.) (“ASTC”). Carl W. Soderstrom, M.D. will retain a minority ownership interest in the ASTC. Dermatologists of Central States, LLC (“DOCS”) will own 100% of MedPro Advantage, LLC, but will not have an ownership interest in the facility.

Section 1130.520(b) (1)(F)- Fair Market Value of the transaction

“Fair market value of assets to be transferred.”

The identified purchase price of \$2,000,000 is based on an arm’s length transaction and represents the fair market value of the assets being transferred.

Section 1130.520(b) (1)(G)- Purchase price

“The purchase price or other forms of consideration to be provided for those assets. [20 ILCS 3960/8.5(a)]”

The purchase price is \$2,000,000.

Attachment 6

Section 1130.520(b)(2)- Outstanding Permits

“Affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section”

None of the co-applicants have any projects for which permits have been issued and are still pending completion, thus this submission and the accompanying certifications should be accepted as affirmation of compliance with this requirement.

Section 1130.520(b)(2)- Hospital Charity Care

“If the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction”

This change of ownership does not involve a hospital, thus this provision is NOT APPLICABLE.

Section 1130.520(b)(2)- Anticipated Benefits to the Community

"A statement as to the anticipated benefits of the proposed change in ownership to the community."

This purpose of this project is to ensure the residents of the community and the patients historically served by Peoria Ambulatory Surgery Center (a division of Soderstrom Dermatology Center, S.C.) will continue to have access to the procedures they need. Peoria Ambulatory Surgery Center (a division of Soderstrom Dermatology Center, S.C.) has always made an effort to provide care for patients within their community, including those served by Medicare and the Illinois Medicaid program. They have and will continue to provide services to these patients populations.

Section 1130.520(b)(2)- Anticipated Cost Savings for the Community and Facility

“The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership”

This transaction will serve two fundamental benefits that will yield cost savings to the facility and the community which it serves. This transaction will provide an additional degree of financial security to the facility which serves a widespread geographic population and, for many patients it serves, provides their only meaningful access to dermatological care. The social and economic benefit of the preventive care and screenings this facility can provide, along with the early intervention into cases of skin cancer, yields an unparalleled benefit to the community and the patients receiving care. Moreover, operational improvements envisioned as a result of shifting operational controls are designed to allow for improved efficiencies that will reduce cost and improve patient experience, thereby adding an additional layer of benefit to the community and the patients the facility serves.

Section 1130.520(b)(2)- Quality Improvement Program

“A description of the facility's quality improvement program mechanism that will be utilized to assure quality control”

Peoria Ambulatory Surgery Center's quality improvement program mechanism will remain in place and in the unlikely event that the outcomes being experienced do not meet or exceed those standards, an appropriate quality improvement plan will be initiated.

Section 1130.520(b)(2)- Facility's Governing Body

"A description of the selection process that the acquiring entity will use to select the facility's governing body"

The transaction involves shifting from a historical structure comprised of individual ownership to a structure reflecting majority ownership by Michael P. Conroy, M.D. and John C. Moad, M.D. As a result, an appropriate designation of the governing obligations will be agreed upon between the individual owners and an appropriate operating agreement will be developed to reflect that agreement.

From a patient, provider, and communal basis the operation of the facility will remain unchanged.

Section 1130.520(b)(2)- Review Criteria in 77 Ill. Admin. Code 1110.240

“A statement that the applicant has prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility”

A response has been prepared addressing the review criteria in 77 Ill. Admin. Code 1110.240 and is available for public review on the premises of the facility.

Section 1130.520(b)(2)- Summary of Propose Changes Within 24 Months

“A description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition.”

This transaction does not envision any proposed changes to the scope of services or level of care currently provided in the facility. This is a designed part of this undertaking and reflects an effort to ensure minimal disruption to the patients in the facility's area. There is no expectation, as a result of this transaction, of any disruptions with the physicians who currently perform surgeries at the facility nor will there be changes to the categories of services that are already approved. We do not expect any other changes within 24 months of the acquisition.

Charity Care

CHARITY CARE			
	2015	2016	2017
Net Patient Revenue	\$3,493,638	\$4,353,434	\$4,423,996
Amount of Charity Care (charges)	0 ¹	0	0
Cost of Charity Care	0	0	0

¹ NOTE: Charitable care has been routinely provided as part of the physician's practice but, as such charitable care does not meet the Board's definition of Charity Care for the purposes of the COE application, it is not reflected herein as charity care.

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 10/2018 Edition

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

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